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From:

Sent: Thursday, August 20, 2009 10:04:41 AM

To:

Cc:

Subject: FW: SILF

Attachments: Rev. Rul. 2009-6

Good morning! Got your voice mail is the in who handles fringe benefit-related topics, so I checked with her this morning about your question. I'm just being lazy here and figure it would be easier to forward her comments. I've also attached the latest SIFL rates. (the rates for the second half of this year should be coming out next month). Please don't hesitate to call if you need more information.

From:

Sent: Thursday, August 20, 2009 9:10 AM

To:

Subject: RE: SILF

I would tell him that, under these facts, the employer has a choice to use either: (1) the general valuation rule (the amount that the employee would have to pay in an arm's length transaction to charter the same or a comparable piloted aircraft for that period for the same or a comparable flight OR (2) the special valuation rule (also known as SIFL or the noncommercial flight valuation rule). The fact that the entity is an exempt organization and the fact that it paid a fixed charter cost does not change anything. The employer can still use SIFL if it chooses to do so. The regulations at 1.61-21(g) allow the use of SIFL for flights on "employer-provided aircraft". This encompasses aircraft that the employer owns and aircraft that the employer charters.